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REPORT TO THE SUBCOMMITTEE ON  
U.S. SECURITY AGREEMENTS  
AND COMMITMENTS ABROAD  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE

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United States Assistance  
To The Government Of Thailand  
For Deployment Of Thai Forces  
To Vietnam B.133258

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BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

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096716

JAN. 4, 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-133258

Dear Mr. Chairman:

R The accompanying report, made pursuant to your request, presents the results of our review of United States assistance to the Government of Thailand for deployment of Thai forces to Vietnam.

Our study covered fiscal years 1967 through 1970. We reviewed:

- The specific U.S. commitments and arrangements for providing support to the Government of Thailand and its military forces.
- All payments, direct and indirect, to the Thailand Government and its officials for the Thai forces sent to Vietnam.
- Other factors relevant to the U.S. assistance to the Government of Thailand.

We were unable to locate any one source where we could identify and/or obtain access to all agreements which had been made between the United States and Thailand Governments. We therefore used a wide variety of sources in gathering information and have shown in our study, on the basis of the information we could obtain, U.S. assistance to Thailand during fiscal years 1967 through 1970 as related to the dispatch of Thai forces to Vietnam.

1 We have not obtained formal agency comments on this report but we have discussed it with representatives of the Departments of State 32 and Defense and have considered their observations concerning its 5 contents.

B-133258

We believe that the contents of this report would be of interest to other committees and members of Congress. Release of the report will be made, however, only upon your agreement or upon public announcement by you concerning its contents.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Stewart". The signature is written in a cursive style with a large initial "J".

Comptroller General  
of the United States

The Honorable Stuart Symington, Chairman  
Subcommittee on U.S. Security Agreements  
and Commitments Abroad  
Committee on Foreign Relations *S 61314*  
*C1/R* United States Senate

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D I G E S T

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO), at the request of the Chairman, Subcommittee on U.S. Security Agreements and Commitments Abroad, Senate Committee on Foreign Relations, reviewed assistance, direct and indirect, to the Thailand Government and its officials for the Thai forces sent to Vietnam and the factors relevant to such payments.

GAO's study was restricted by the refusal of the Departments of State and Defense to grant GAO access, or timely access, to certain relevant records. GAO was not permitted to visit the Thailand base camp in Vietnam to observe support which had been provided by the United States.

FINDINGS AND CONCLUSIONS

GAO was unable to find an integrated set of records showing the extent of U.S. military assistance to Thailand. Furthermore GAO was unable to assure itself that it had identified and obtained access to all the agreements between the two Governments.

Information from a wide variety of sources indicated that U.S. assistance totaling approximately \$620 million was made available to Thailand during fiscal years 1967 through 1970--\$474 million in military-related assistance and \$146 million in grant economic assistance. (See p. 7.)

Assistance related to the deployment  
of Thai troops

Of the \$620 million, at least \$256 million in military assistance--an average \$64 million a year--was related directly to the dispatch of Thai troops to Vietnam.

--\$224 million in material assistance for Thai troops, including vehicles, weapons, ammunition, construction of facilities, food, and transportation to Vietnam.

--\$32 million in direct cash payments to the Thailand Government for allowance payments to Thai troops and transportation, mobilization, and other costs. (See p. 18.)

In addition, U.S. officials have agreed to furnish Thailand with a package of military equipment in lieu of a HAWK missile system previously agreed to in consideration of the deployment of Thai troops to Vietnam. (See p. 54.)

There was no evidence that the remaining \$218 million in military assistance was related to Thailand's decision to send combat troops to Vietnam. (See p. 8.)

#### Economic assistance

On the basis of available evidence, GAO was unable to determine the extent to which U.S. economic assistance to Thailand was related to the deployment of Thai forces in Vietnam. Officials of the Departments of Defense and State and the Agency for International Development emphasized that the increased economic assistance was related primarily to counterinsurgency efforts and not to the deployment of Thai troops to Vietnam. (See p. 58.)

#### Required reports to the Congress

GAO estimated that about \$47 million in service-funded military assistance to Thailand had not been included in required reports to the Congress. (See p. 10.)

#### Thailand's participation in Vietnam conflict

The factor most relevant to the U.S. assistance was the extent of Thailand's participation in the Vietnam conflict. A history of Thailand's participation revealed that:

- In 1964 Thailand provided a 17-man military air detachment for transport missions and training in Thailand of Vietnamese pilots.
- In December 1965 the Thai Navy began operating two U.S.-loaned ships in Vietnamese waters conducting anti-infiltration and transport operations.
- In January 1967 the Thailand Government officially announced its intention to send a combat unit to take an active part in the fighting in South Vietnam. In exchange for this commitment, the United States agreed to furnish Thailand with financial and material assistance.
- In September 1967 the Thailand Government deployed a regiment of approximately 2,200 troops in Vietnam.
- In November 1967 Thailand agreed to deploy a combat division in Vietnam, which eventually reached a strength of over 11,000 troops. The United States agreed to provide Thailand with additional financial and material assistance.
- In mid-1968 and early in 1969, the Thailand division was increased to levels of about 5,600 and 11,300, respectively.

--In mid-1970 there were about 11,500 Thailand military personnel assigned to Vietnam.

--During 1971 the Thai Government planned to return about half of its troops to Thailand.

## CHAPTER 1

### INTRODUCTION

Thai troops serving in Vietnam are one of several foreign government contingents that are assisting the Republic of Vietnam, in cooperation with the United States, to maintain the independence of Vietnam. In hearings before the Subcommittee on U.S. Security Agreements and Commitments Abroad of the Committee on Foreign Relations, United States Senate, in November 1969, the Department of Defense stated that U.S. support to Thai forces in South Vietnam averaged \$50 million a year. The Chairman of the Subcommittee informed GAO at a later date that no breakdown of these substantial expenditures, not even in terms of allowances, military equipment, and subsistence, had been provided. He therefore requested us to make a study of all direct and indirect payments made to the Thai Government in connection with Thai forces serving in Vietnam and of the factors relevant to such payments.

Our study covered fiscal years 1967 through 1970. We were unable to locate any one source, however, where we could identify and/or obtain access to all agreements which had been made between the United States and Thai Governments detailing the terms of U.S. assistance to Thailand in response to the Thailand agreements to send military forces to Vietnam. Faced with this situation we were forced to work back to various working arrangements from the evidence of actual assistance given. Although we are satisfied that the assistance we identified was authorized by the appropriate U.S. authorities, we not always were able to trace the specific working arrangements back to the specific negotiations and agreements between the two Governments.

We were unable to find an integrated set of records showing or detailing the extent of U.S. military assistance and payments to Thailand. Therefore, to identify the extent and value of U.S. assistance to Thailand, it was necessary for us to use a wide variety of sources involving a number of organizational entities in Washington, D.C., Thailand, Vietnam, and Hawaii and in the Army Finance Center in Indiana, to gather this information. In those cases where available records did not show the extent or value of such

transfers, we estimated the value of such support where we believed there was a reasonable basis for so doing. Therefore the information in this report necessarily is based on the best data available to us and may not disclose the full extent of U.S. assistance to Thailand.

Because of the incomplete and missing reports and the general lack of documentation and inadequate records, we were unable to verify that we had identified all U.S. assistance and payments to Thailand or that certain items of assistance were not counted more than once. Also there were a number of instances where evidence existed that assistance had been furnished but no reasonable basis existed for placing a value on such assistance. On the basis of our overall review and recognizing that such offsetting circumstances may exist, however, we believe that the values identified in this report are reasonably representative.

Our study was also restricted by (1) the refusal of the Departments of State and Defense to grant us access, or timely access, to certain relevant records and documents and (2) our not being permitted to visit the Thailand base camp in Vietnam to observe the U.S. support which had been provided.

We have not obtained formal agency comments on this report but we have discussed it with representatives of the Departments of State and Defense and have considered their observations concerning its contents.

CHAPTER 2

SUMMARY OF U.S. PAYMENTS AND ASSISTANCE TO THAILAND--

FISCAL YEARS 1967 THROUGH 1970

During fiscal years 1967 through 1970, U.S. military and grant economic aid to Thailand totaled over \$620 million. This included an estimated \$474 million in military assistance and over \$146 million in grant economic assistance. This assistance was funded under the following appropriations.

	<u>Economic</u> <u>assistance</u>	<u>Military</u> <u>assistance</u>	<u>Total</u>
	----- (millions) -----		
Foreign assistance appropriations	\$146.2	\$ 58.7	\$204.9
Military service appropriations (note a)	_____	<u>415.3</u>	<u>415.3</u>
	<u>\$146.2</u>	<u>\$474.0</u>	<u>\$620.2</u>

<sup>a</sup>Since fiscal year 1968 military assistance to Thailand has been funded from U.S. military service appropriations. A small amount of military assistance in fiscal year 1967 also was service funded.

We estimate that, of this amount, at least \$256.3 million in military assistance, an average \$64 million a year, was directly related to Thailand's deployment of troops in Vietnam. This amount consists of the following costs.

	Amount ( <u>millions</u> )
Payments made to Thailand Government	\$ 31.8
Military assistance to Thai forces scheduled for deployment in Vietnam prior to such de- ployment	66.5
Military assistance to Thai forces during their deployment in Vietnam	102.6
Military assistance to Thai forces in Thailand but provided in response to Thai- land's deployment of forces in Vietnam	<u>55.4</u>
Total	\$256.3

U.S. officials also agreed, in response to Thailand's decision to deploy troops in Vietnam, to furnish Thailand with a costly HAWK missile system and to incur an annual operational cost of about \$1.2 million for the system for an indefinite period.

Thai troops had been trained previously in the United States at a cost of approximately \$0.5 million to operate and maintain the system. Officials of the Departments of State and Defense informed us in September 1971, however, that agreement had been reached with the Thailand Government whereby a package of military equipment of an approximate equal value would be furnished in lieu of the missile system.

We found no evidence that the remaining \$217.7 million of military assistance provided to Thailand was related, directly or indirectly, to Thailand's decision to deploy troops in Vietnam.

The Department of State advised us that the costs of U.S. assistance programs to Thailand during the period of the Vietnam war, including the cost of deploying Thai troops in Vietnam, were considerable but that Thailand itself provided to the United States important assistance of a non-monetary nature which resulted in substantial savings to the American taxpayer. The Department of State stated that:

"We have in mind especially the access we have had to Thai air bases and other facilities which

permitted the United States to conduct air operations in Vietnam at costs far below those that would have been incurred had we been forced to conduct these operations entirely from bases elsewhere and further distant from the theater of operations. For example, operating out of U-Tapao, Thailand, rather than Anderson AFB on Guam, the savings for B-52 operations alone probably amounted to approximately \$200 million per year. Costs per B-52 sortie from U-Tapao are about \$18,000 less than those for operating from Anderson AFB."

Department of Defense officials agreed that the increased military assistance to Thailand during fiscal years 1968 and 1969 was attributable to the deployment of Thai forces in Vietnam. They also contended, however, that the value of military assistance in fiscal year 1967 was not specifically related to the dispatch of troops to Vietnam but rather to increased Communist insurgency in Thailand.

The extent to which the \$146.2 million in grant economic assistance to Thailand was related to Thailand's deployment of forces in Vietnam was unclear on the basis of the evidence available to us. Economic assistance program justifications showed that the program was justified, in part, on Thailand's support of Vietnam and the ever-larger burden of the Thailand defense budget. Also the level of the economic assistance program was more than doubled during the time the United States was negotiating with Thailand for it to send combat troops to Vietnam. That is, the level of grant economic assistance increased from \$18.3 million in fiscal year 1965 to \$47.9 million in fiscal year 1967 during negotiations and decreased to \$23.5 million in fiscal year 1970 after the basic negotiations were completed.

The Departments of State and Defense and the Agency for International Development emphasized to us that economic aid increases had been made in response to more active insurgent activities in Thailand.

## COSTS REPORTED TO CONGRESS UNDERSTATED

In accordance with section 401 of Public Law 89-367 and subsequent public laws, which authorized the support of the Free World Military Assistance Forces in Vietnam with military appropriations funds, the Department of Defense submitted quarterly reports to the Congress on the estimated value, by country, of such support on the basis of actual or estimated obligations for materiel, contracts, and services.

The reports, since fiscal year 1968, are in two parts. The first part contains U.S. costs associated with Thai forces in Vietnam, and the second part includes all U.S. military assistance to Thai forces in Thailand, including assistance to those forces that have been or are to be deployed in Vietnam.

The following schedule shows the difference between the costs reported to the Congress on the quarterly reports and the amounts we estimated as military assistance to Thailand during fiscal years 1967-70.

	Amount ( <u>millions</u> )
Total service-funded military assistance estimated as above	\$415.3
Total reported to the Congress on quarterly reports	<u>367.9</u>
Estimated value of service-funded military assistance not reported	\$ <u>47.4</u>

We were unable to determine specifically what costs were not reported due to the different categories of expenses and cutoff dates for reporting as contained in the reports to the Congress as opposed to input data we were able to obtain during our review. On the basis of available information, however, we believe that approximately \$22 million worth of ammunition procured for Thai troops in Vietnam during fiscal year 1970 was not reported to the Congress. Moreover the data in the reports to the Congress did not

include the value of equipment that was turned over to the Thai forces as a result of withdrawing U.S. Forces and that would not be replaced in the U.S. inventory.

### CHAPTER 3

#### EXTENT OF THAI FORCES IN VIETNAM AND

#### U.S. COMMITMENTS RELATED THERETO

#### THAI MILITARY PARTICIPATION IN THE VIETNAM CONFLICT

The Thailand Government has provided military support to the Government of Vietnam since 1964. Originally the Thailand assistance consisted of small air force and navy contingents. Progressively larger deployments of army combat forces were made in 1967, 1968, and 1969. During June 1970 Thai military forces assigned in Vietnam totaled about 11,500 men.

The Thailand Government in 1964 provided a 17-man military air detachment for C-47 transport missions and training in Thailand for Vietnamese jet pilots. Since early 1966 the Thai Air Force detachment has flown two U.S.-loaned C-123 cargo-transport aircraft in Vietnam. The unit is known as Victory and operates as an integral element of the U.S. Air Force. During June 1970 there were approximately 90 Thai Air Force personnel serving with this unit in Vietnam.

In December 1965 the Thai Navy began operating in Vietnam waters two ships loaned from the United States for anti-infiltration and transport operations. The Thai Navy contingent is known as Sea Horse and operates under the operational control of U.S. naval forces. During June 1970 there were approximately 220 Thai Navy personnel serving with the contingent in Vietnam.

Early in January 1967 the Thailand Government officially announced its decision to send a combat battalion (subsequently a regiment) to take an active part in the fighting in South Vietnam. The announcement also stated that its decision was proper and suitable when considered from military, political, and economic viewpoints. This force, referred to as the Queen's Cobras, was deployed in Vietnam in the summer of 1967 with a strength of about 2,200 personnel.

In October 1967 the Thailand Government announced that it would increase its combat forces in Vietnam to division size. In July and August 1968, a brigade of about 5,600 men was deployed in Vietnam to replace the Queen's Cobras. In January and February 1969, a second brigade of about 5,700 men was deployed. The new division-size unit was called the Black Panthers Division. During June 1970 there were approximately 11,200 Thai Army personnel assigned to Vietnam, which included approximately 200 headquarters personnel.

The Thailand Government planned to return about half of its troops in Vietnam to Thailand during 1971 without providing replacements. Also the training center in Thailand, for troops going to Vietnam, has been closed.

U.S. COMMITMENTS TO THAILAND  
IN CONSIDERATION OF ITS PARTICIPATION  
IN THE VIETNAM CONFLICT

We were unable to locate any one source where we could identify and/or obtain access to all agreements, detailing the terms of U.S. assistance to Thailand, which had been made between the United States and the Thailand Governments. We noted, however, that the U.S. military officials concluded several military and financial working agreements with Thai officials to support the Thai forces in Vietnam. In addition, the United States concluded two overall agreements and several supplemental agreements with Thai officials. The agreements we noted are discussed below.

1. March 1966 military working arrangement

Under the terms of a military working arrangement made in March 1966, the United States agreed to provide the Thai contingents in Vietnam with certain categories of equipment, supplies, maintenance, transportation, and communications. The arrangement also provided for personnel support services-- such as mess; billets; medical and dental care; postal service; and the use of post exchanges, service clubs, and recreation facilities. This arrangement did not provide for payment of any allowances. At the time of the arrangement, there were approximately 19 Thai personnel serving in Vietnam.

## 2. December 1966 agreement for payment of overseas allowances

We were advised that there was no formal agreement which prescribed the rates to be paid for overseas allowance for fiscal year 1967. In December 1966, however, a memorandum for the record, prepared by a U.S. finance advisor in the Military Assistance Command, stated that the United States and the Thailand Governments agreed to certain per diem rates and procedures for payment to the Thai forces serving in Vietnam. The rates range from a \$1.25 for a private to \$8 for a brigadier general. (See ch. 4 for further details.)

The Secretary of Defense, in a message issued in November 1966, informed the Pacific Command that approval was granted for the procedures for the payment of overseas allowances and further stated that such procedures would be similar to those applied to the Philippine forces in Vietnam.

## 3. U.S. commitment of January 1967

In a letter dated January 5, 1967, the American Ambassador to Thailand informed the Thailand Acting Minister of Foreign Affairs that, in accordance with a Thailand request, the United States would support any element of ground forces that the Thailand Government should decide to send to Vietnam in the same way the United States was then supporting the Thai Air Force and naval elements in Vietnam.

The letter further stated that the United States was immediately prepared to discuss and complete the details of this support arrangement with the Thailand Minister of Defense.

The complete record of discussions between Thai and U.S. officials was not made available to us. We were furnished, however, with certain documents which stated the understanding reached and the details of commitments made by the United States.

In a March 1967 message from the Commander, U.S. Military Assistance Command, Thailand, reference was made to the Thailand Minister of Defense's approval in February 1967

of a document prepared by the Thailand Supreme Command Headquarters which stated that the United States would:

- Provide all equipment required by the force either while in-country or when deployed in Vietnam.
- Support training in-country through the use of mobile training teams.
- Provide transportation of the force to Vietnam or pay transportation costs.
- Fund materials to prefabricate base camp facilities in Thailand.

The March 1967 message also stated, according to U.S. officials negotiating with Thai officials, that the U.S. officials were working on the basis that, excluding personal emoluments, the costs associated with the actual training, equipping, and deploying of the Thai volunteer force would be paid by the United States. According to the U.S. Military Command, Thailand, these costs were additional to those which would have been provided under the regular military assistance program for Thailand.

In May 1967 the overseas allowances and death gratuities that were agreed upon between Thai and U.S. officials were confirmed in a memorandum from the Counselor for Politico-Military Affairs, U.S. Embassy, Bangkok, Thailand, to a Thai military official. A subsequent memorandum from the U.S. Embassy in June 1967 modified the agreement to include death and disability payments for those Thai forces engaged in recognized predeployment training in Thailand for Vietnam.

According to payment data made available to us, the only direct payments made in fiscal year 1967 were for overseas allowances which were paid in June 1967 and which were retroactive to July 1966. The supporting documents did not refer to the above agreements or understandings but did refer to a Secretary of Defense message of November 1966 and a Thailand-United States understanding of December 1966. These payments are discussed further in chapter 4.

4. Military working arrangement July 1967 and financial working arrangement September 1967

These arrangements between the U.S. Military Commander and the Thai forces commander in Vietnam superseded and expanded the March 1966 military working arrangement. Under the terms of these arrangements, the United States agreed to provide support needed to carry out the assigned mission of the Thai forces in Vietnam. This support included communications, logistics, personnel services, and air support and stipulated financial support for (1) the hire of local national civilian employees, (2) small local purchases of supplies, (3) civic action projects, and (4) temporary-duty travel.

5. U.S. commitment of November 1967

Having policy guidance from the Departments of State and Defense, the U.S. Ambassador to Thailand, in a letter dated November 9, 1967, to the Thai Deputy Minister of Defense, committed the United States to provide specific financial, material, and logistic support to the Government of Thailand and its armed forces in consideration of the Government of Thailand's decision to increase its forces in Vietnam to a combat division. This letter of agreement, unlike the previous letter of agreement in January 1967, enumerated the specific categories of support that would be provided by the United States. The letter and its enclosures, however, did not contain specific rates of payments but did contain a statement in regard to some categories of support to be provided and pointed out they were subject to justification and approval. A summary of the categories of support to be provided, as contained in the Ambassador's letter and enclosures, is as follows.

- a. Fully equip and provide logistical support for a Thai division to be deployed in Vietnam and provide necessary material and logistic support for the pre-deployment training of these forces in Thailand. The divisional and training site equipment were to be retained by the Government of Thailand upon its final withdrawal from South Vietnam.

- b. Undertake repair and rehabilitation of facilities required for rotational training.
- c. Provide financial support for overseas allowances, subsistence, inspection visits, extra office equipment and supplies, morale equipment, family bonuses, mustering-out bonuses, transportation expenses, training supplies and expenses, and representation funds for units.
- d. Deploy a HAWK missile battery manned by U.S. personnel and assume the cost of training Thai personnel to man the battery.
- e. Assist in maintaining the capability, and in accelerating modernization, of the Thai Armed Forces by increasing the military assistance program for fiscal year 1968 from \$60 million to \$75 million and increasing the planning level for fiscal year 1969 to \$75 million.

In implementing the U.S. commitment, discussions were held between Thai and U.S. officials to work out the details of the financial, material, and logistic support to be provided by the United States. We obtained some of the documents relating to these discussions and some of the agreements resulting therefrom. They are discussed in the following chapters in connection with the specific types of U.S. assistance provided.

The Department of State suggested that the following comments be included in our report:

"The explanations for these commitments to increase our military assistance program are, we think, logical and persuasive. During the 1967 discussions about the possibility of such deployment, the Thai expressed concern that in sending their best troops out of the country they would be weakening their capability to deal with defense and internal security needs. We accepted that analysis and agreed to compensate by helping to accelerate the modernization of Thai forces by increasing the military assistance program \*\*\*."

## CHAPTER 4

### PAYMENTS TO THE GOVERNMENT OF THAILAND

For fiscal years 1967 through 1970, the United States made direct cash payments of approximately \$32 million to the Thailand Government. These payments, in U.S. dollars and Thailand currency, were made by checks payable to the chiefs of various Thai military activities to reimburse the Thailand Government for reported direct payments, such as overseas, separation, and other allowances paid to their troops assisting in the Vietnam war effort. We were unable to satisfy ourselves concerning the validity of the claims because adequate documentation was not made available for our review.

### PAYMENT PROCEDURES

Military officials of the Thailand Government have periodically submitted letters to the U.S. Military Assistance Command requesting reimbursement for certain payments incurred by them as specified in their letters and enclosures. The format of the letters and enclosures has varied. Basically they contain the categories of expenses to be reimbursed; the periods of time covered; listings of Thai military personnel by name and rank, if applicable; and, in many instances, citations to U.S. agreements or commitments. For later years they have also contained certification statements, by Thai officials, as to the correctness of the payments requested.

In a January 1970 memorandum, the Chief of Staff, Military Assistance Command, Thailand, informed various elements of the command that he was establishing a committee to review the claims for reimbursement, submitted by the Thai Ministry of Defense, which amounted to several million dollars annually. The committee would establish that the claims were valid, complete, and correct. The memorandum also noted that:

"In some cases, validation is a difficult matter as little formal criteria exists. Thus, professional judgment must be made concerning each RTG [Royal Thai Government] claim."

The memorandum also indicated that reviews would be conducted in accordance with a "Scope" document, which was confirmed by subsequent statements.

Validity of claims for payment

On July 21, 1970, in an attempt to verify the validity and propriety of claims for payment, we requested the Scope document which we were advised was being used by the committee to verify the claims but officials of the Department of Defense refused to provide us with access to this document. The Office of the Assistant Secretary of Defense, International Security Affairs, Department of Defense, stated, in a letter to the General Accounting Office on November 4, 1970, that:

"The 'Scope' document is a draft internal working agreement between the United States and the Royal Thai Government (RTG), concerning reimbursement rates and procedures, which is still under negotiation. Therefore, since it has no official status, the 'Scope' document is not considered suitable for release to the GAO."

Since we were advised at the audit site that the Scope document was being used by the committee as a basis for payment, we believe this document to be necessary and pertinent to our review.

A message of April 29, 1971, from the Pacific Command to the Secretary of Defense stated that the American Embassy in Bangkok and the Pacific Command considered the release of the Scope document to GAO to be inappropriate since the document had never been approved by either the United States or Thailand. The message further noted that the Scope document was not used as a basis for reimbursements of Thai expenses; however, the message indicated that the Military Assistance Command, Thailand, in comments of June 8, 1970, considered the Scope document to be an unofficial guide for reimbursement. We requested these comments but were denied them by the Department of Defense.

In describing to GAO the basis for validating claims, the chairman of the committee established to review claims

stated that validation of various claims for reimbursement was largely a matter of head counts and local knowledge that an event requiring reimbursement had taken place. The memorandum also noted that data on head counts prior to January 1970 was no longer available and that complete minutes of the committee meetings had not been maintained.

The committee, after its review, submits a letter to the Comptroller, Military Assistance Command, Thailand, stating the claims that were approved and those that were disapproved. We noted that, prior to the establishment of the committee, the U.S. Embassy, Bangkok, on several occasions, informed Thai officials of certain expenses that had been approved or disapproved for reimbursement.

The approved claims, with the exception of claims for overseas allowances, were paid in Thai currency (baht) by checks drawn by the Army disbursing officer in Bangkok on the Bank of America National Trust and Savings Association, Military Finance Facility, Bangkok. The checks were made payable to the Chief of Finance of the Thai military component which had incurred the expense.

Reimbursements for overseas allowances were paid in U.S. dollars. The payments were made by U.S. Treasury checks issued by the Army disbursing officer in Bangkok. In recent years the checks were made payable to Headquarters, Royal Thai Force, Vietnam, in care of the Chief of Finance, Ministry of Defense, Royal Thai Armed Forces, Bangkok.

AMOUNT OF PAYMENTS

The following schedule shows a breakdown of expenses for which payments were made and the appropriation from which the payments were funded.

	Fiscal year				Total
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
Military personnel appropriation:					
Overseas allowance	\$115,142	\$1,420,103	\$ 5,837,668	\$ 7,497,152	\$14,870,065
Separation allowance	-	-	932,187	4,485,570	5,417,757
Subsistence	-	690,006	1,577,073	859,753	3,126,832
Family bonus	-	-	542,755	518,968	1,061,723
Death gratuity	-	171,731	427,064	406,802	1,005,597
Disability gratuity	-	55,045	98,883	129,563	283,491
Clothing and related equipment	-	109,305	-	-	109,305
Return-home transportation	-	-	-	5,098	5,098
Total	<u>115,142</u>	<u>2,446,190</u>	<u>9,415,630</u>	<u>13,902,906</u>	<u>25,879,868</u>
Operation and maintenance appropriation:					
Equipment and supplies	-	878,783	1,189,587	102,416	2,170,786
Morale	-	17,691	266,184	151,337	435,212
Training supplies and expenses	-	384,758	1,894,349	25,488	2,304,595
Transportation and mobilization	-	412,282	393,596	65,674	871,552
Total	<u>-</u>	<u>1,693,514</u>	<u>3,743,716</u>	<u>344,915</u>	<u>5,782,145</u>
Military construction appropriation:					
Rehabilitation costs for Thai training facilities	-	166,128	-	-	166,128
Total	<u>-</u>	<u>166,128</u>	<u>-</u>	<u>-</u>	<u>166,128</u>
Total	<u>\$115,142</u>	<u>\$4,305,832</u>	<u>\$13,159,346</u>	<u>\$14,247,821</u>	<u>\$31,828,141</u>

The above payment data was obtained from examining voucher and payment documents for claims submitted by the Thailand Government to the Chief, Joint U.S. Military Advisory Group, Thailand. The data was based on fiscal year appropriation funds cited and not on the date of payment.

## NATURE OF PAYMENTS

Each of the above listed categories of expenses for which payments were made to Thailand are discussed below.

### 1. Overseas allowance

For fiscal years 1967 through 1970, approximately \$14.9 million was reimbursed to the Thailand Government for overseas allowances (per diem) of Thai personnel in Vietnam.

Our study showed that in June 1967 the United States paid the Thailand Government approximately \$112,000 for per diem payments for Thai Navy personnel retroactive to December 1966 and for Thai Air Force personnel retroactive to July 1966. In September 1967 the United States reimbursed an additional \$3,000 to the Thailand Government for per diem payments for Thai Navy and Air Force personnel in fiscal year 1967.

In a letter of May 1967 from the Counselor for Politico-Military Affairs, U.S. Embassy, Bangkok, to a Thai official, revised per diem rates were stated. The effective date of the revised per diem allowance, according to the letter, would coincide with the initial arrival of Thai Army forces in Vietnam. (This was June 1967.) The per diem rates, as specified in the December 1966 agreement and the May 1967 letter, were as follows.

	Daily rates	
	December 1966	May 1967
Lieutenant general	(a)	\$15.00
Major general	(a)	13.00
Brigadier general	\$8.00	(a)
Special colonel	7.00	11.00
Colonel	6.50	10.00
Lieutenant colonel	6.00	8.00
Major	5.50	6.00
Captain	5.00	5.00
First lieutenant	4.50	4.00
Second lieutenant	4.00	4.00
Warrant officer	3.00	(a)
Master sergeant	2.50	2.30
Staff sergeant	2.00	(a)
Sergeant	1.90	2.00
Corporal	1.80	1.65
Lance corporal	1.50	1.50
Private first class	1.35	(a)
Private	1.25	1.30

<sup>a</sup>Rates not designated.

The May 1967 rates are the same as those contained in a Thailand regulation for troops serving in Korea and Vietnam that are furnished food and housing. In December 1967 the Embassy informed the Thailand Government that the United States would pay personnel evacuated to Thailand as casualties the allowance for a maximum period of 30 days from date of arrival in Thailand. Personnel evacuated to other countries as casualties would receive the allowance until they were returned to Thailand.

Thai Armed Forces deployed in Vietnam as a result of the November 1967 agreement also were paid the same per diem rates as noted above.

## 2. Separation allowance

During fiscal years 1969 and 1970, approximately \$5.4 million was reimbursed to the Thailand Government for separation allowances to military personnel that served in Vietnam.

In the U.S. Ambassador's letter of November 1967 to the Thailand Deputy Minister of Defense, the United States agreed to pay mustering-out bonuses for volunteers that were to form the division that the Thailand Government agreed to send to Vietnam. The letter of agreement did not specify the rate of payment or the condition of entitlement. Also the letter contained no reference or provision for payments to be made to those Thai forces that were serving in Vietnam at that time. In November 1967 there were approximately 2,500 Thai military personnel in Vietnam.

The January and February 1968 messages from the Military Assistance Command, Thailand, to the Pacific Command stated that a rate of \$400 in equivalent local currency would be paid to Thai personnel that volunteered to serve in Vietnam.

The reported rationale, as contained in these messages, was that it was necessary for the Thailand Government to provide an adequate incentive to obtain a large number of qualified volunteers, both from the rank and file of the Army and from civilian life, in a short period of time. The messages noted that the bonus could be compared with

the U.S. veteran benefits and that justification for the Thai veteran benefits could not be based entirely upon precedent. Since 1952 a separation allowance of \$50 in equivalent local currency has been paid to Thai volunteers returning from Korea.

We noted, in a report prepared by the Military Assistance Command, Thailand, that a call for volunteers was issued on November 20, 1967, and that 41,855 personnel volunteered by December 29, 1967. The report also stated that the first increment of 5,562 personnel were called on January 5, 1968, and that the second increment of 5,704 personnel to complete the division would not start training before August 1968.

On March 26, 1968, the Secretary of Defense, in a message to appropriate commands, apparently approved the bonus for Thai troops. We were not provided with a copy of that message; however, we did receive a copy of a letter dated March 27, 1968, from the Counselor for Politico-Military Affairs, U.S. Embassy, Bangkok, to a Thai official, which stated that:

"This is to confirm that, pursuant to Ambassador Unger's November 9, 1967 letter to Air Chief Marshall Dawee, the United States will reimburse the Royal Thai Government for the costs of providing a separation allowance to all Royal Thai Forces, Vietnam personnel in the equivalent grades of colonel and below who returned permanently to Thailand under honorable circumstances after July 15, 1968. The amount to be paid per individual should be 8,000 for completion of service in Vietnam of six months or more and 4,000 for completion of service in Vietnam of less than six months." (The approximate values of 8,000 and 4,000 baht are \$400 and \$200, respectively.)

In May 1968 the Embassy notified the Secretary of State that the Thailand Government had requested that the starting date for separation allowances be moved back to June 15, 1968, to provide payments for some Thai Army and Navy personnel that were completing their tours of duty at that time. The Thailand Government had requested also

reimbursable funding for all Thai forces in Vietnam on the same basis as that approved for the Thai division, to provide equity to all Thai forces in Vietnam.

On May 6, 1968, the U.S. Embassy, Bangkok, notified the Thailand Deputy Minister of Defense that the U.S. Government agreed to advance to June 15, 1968, the effective date for separation allowances paid to Thai Armed Forces personnel returning permanently from Vietnam. Additionally, on September 13, 1968, the United States agreed to pay the full separation allowance of \$400 to Thai troops who were wounded in Vietnam and evacuated back to Thailand prior to completion of their 6 months of service in Vietnam, if the personnel were evacuated after June 15, 1968.

In regard to the Thailand request for reimbursable funding for all forces in Vietnam, we noted that a U.S. Army Pacific Command message dated July 31, 1968, stated that the fiscal year 1969 funds of \$1,520,000 for separation allowances, which included \$900,000 for Thai troops then serving in Vietnam, had been approved. The November 1967 United States-Thailand commitment which initially authorized the separation allowance did not apply to troops that were serving in Vietnam at that time but rather to additional troops being dispatched to Vietnam. The above message therefore provided for payment of about \$900,000 to Thai troops that entered Vietnam prior to November 1967 and returned after June 15, 1968.

### 3. Subsistence allowance

For fiscal years 1968 through 1970, approximately \$3.1 million was paid to the Thailand Government for subsistence allowances for Thai troops training in Thailand prior to their deployment in Vietnam.

The November 1967 U.S. commitment stated that the United States would assume the expenses of subsistence for Thai forces in training for deployment in Vietnam. The commitment did not specify the rate or amount of payment, and we were unable to obtain a document which formally established the rates. From examining payment vouchers, however, we noted that the rates were the same as those specified by the Thailand Government in a booklet prepared for its forces. They were as follows:

	<u>Daily rate</u>
Officers	\$1.00
Noncommissioned officers	.75
Other enlisted personnel	.50

In a January 1968 message, the Military Assistance Command, Thailand, justified the rates to higher headquarters on the basis that they were the same rates that the Government of Thailand had paid to the army regiment prior to its deployment.

### 4. Family bonus

For fiscal years 1969 and 1970, approximately \$1 million was paid to the Thailand Government for family bonuses. These were special bonuses to be paid to Thai troops prior to their departure from Thailand for Vietnam.

The November 1967 commitment stated that the United States would pay family bonuses, but no rates were specified. In a February 1968 message from the Military Assistance Command, Thailand, it was stated that a family bonus was to equal 1 month's per diem and that the bonus was authorized by a directive from the Thailand Minister of Defense in 1950. The message also stated that the allowance was to be paid by the Thailand Government to personnel of the Thai

regiment that was in Vietnam and to Thai personnel that served in Korea.

In examining payment documents, we noted that the United States Government had reimbursed the Thailand Government at the following rates.

Lieutenant general	\$290
Major general	255
Special colonel	220
Colonel	190
Lieutenant colonel	160
Major	135
Captain	110
First lieutenant	95
Second lieutenant	80
Master sergeant	60
Sergeant	50
Corporal	40
Private first class	35
Private	30

We were unable to find any agreement or communication between the United States Government and the Thailand Government in which the United States formally had agreed to pay family bonuses at the above rates.

## 5. Death gratuity

For fiscal years 1968 through 1970, approximately \$1 million was paid to the Thailand Government in reimbursement for death gratuities paid to beneficiaries of Thai military personnel killed while serving in Vietnam or while in recognized predeployment training in Thailand. We could not identify any such payments for fiscal year 1967.

The November 1967 U.S. commitment contained no statements regarding this type of payment. We noted, however, that a U.S. Air Force message issued in May 1968 referred to this type of payment as being authorized as early as November 1966. We requested the November 1966 message but were informed that it was no longer available. In May 1967 a memorandum from the Counselor for Politico-Military Affairs, U.S. Embassy, Bangkok, to the Thailand Ministry of Defense confirmed that the United States would pay death gratuities to the Thailand Government as follows:

Officer	\$5,500
Noncommissioned officer	3,500
Private	2,500

In addition, a January 1968 message from the Military Assistance Command, Thailand, stated the gratuities to be paid would be the same as those paid by the United States to Thai personnel that were then serving in Vietnam.

The Thailand standard military pay and allowances regulation provides for monthly pensions for dependents of deceased personnel and, in the case of officers and noncommissioned officers, additional lump-sum gratuities. The monthly pension represents 80 percent of the individual's last monthly salary. The lump-sum gratuity is based on the individual's last monthly salary, multiplied by the years of active service, with a minimum gratuity of \$150. We were unable to determine the amounts paid to the dependents of deceased Thai personnel by the Thailand Government.

## 6. Disability gratuity

For fiscal years 1968 through 1970, about \$283,000 was reimbursed to the Thailand Government for disability

gratuities. Such gratuities were made in lump-sum payments according to the severity of the individual's disability, as determined by the Thailand Government, and his rank.

The November 1967 U.S. commitment did not contain any statements regarding this type of payment. As in the case of death gratuities, however, it apparently was authorized in November 1966 and apparently was being paid by the United States for Thai personnel serving in Vietnam prior to the November 1967 commitment. We were unable, however, to identify any such payments made in fiscal year 1967.

In a memorandum from the U.S. Embassy, Bangkok, issued in May 1967, the United States confirmed the rates of payment as follows:

	Category of <u>injury</u>	Equivalent dollars ( <u>note a</u> )
Officer	III	\$2,500.00
	II	3,666.65
	I	5,500.00
Noncommissioned officer	III	1,750.00
	II	2,333.35
	I	3,500.00
Private	III	1,250.00
	II	1,666.65
	I	2,500.00

<sup>a</sup>Using conversion rate of 20 bahts to 1 U.S. dollar.

A Thai Army pamphlet entitled "Benefits - Vietnam Conflict" identified the types of injuries which qualified for category I, II, and III benefits. This pamphlet described these categories as follows:

Category I--Wounds causing death or crippling injuries to the extent that the volunteer is unable to earn a living.

1. Loss of reproductive organs.
2. Loss of hand together with the other arm or loss of both hands or both arms.

3. Loss of both feet or a leg together with the other foot.
4. Loss of a hand, an arm, and a foot or leg.
5. Blindness in both eyes.
6. Injury to the back which disables hands, arms, or one hand and the other arm, both feet or both legs, or one foot and the other leg.
7. Brain injury to the extent that the volunteer becomes mentally deficient and thus unable to earn a living.

Category II--Any organ of the body which cannot be returned to functional order will be deemed as a loss of that organ.

1. Loss of one arm.
2. Loss of one leg.
3. Loss of one hand.
4. Loss of one foot.
5. Loss of one eye.

Category III

1. Loss of one finger.
2. Loss of one toe.
3. Loss of hearing in one ear.
4. Any disability of a hand or foot which precludes normal functioning.

We noted that disability payments had been made for some injuries which did not appear to have constituted serious or long-term disabilities. For example, the United States made payment for claims, submitted by the Thailand Government, which described such injuries as a broken hand, a broken arm, a broken leg, a broken nose, the loss of tip of nose, or a cut thumb. The Thai Army pamphlet stated, however, that funds for disability gratuities would be paid

as recommended by the Thai doctor in charge. Thai regulations provide for the payment of disability pensions that are not otherwise reimbursed by the United States.

#### 7. Clothing and related equipment

For fiscal year 1968 the United States paid the Thailand Government approximately \$109,000 for clothing and related equipment items.

In September 1967 the Thai Army Chief of Staff stated to the Commander, Joint U.S. Military Advisory Group, that the Thai Army regiment, during training in Thailand, had required replacement of certain clothing and supplies before deployment in Vietnam. The Thai official stated that the replacement was required because the clothing and equipment originally issued by the Thai Army had worn out during training and that their contingency or reserve stocks had been used for replacement. He therefore requested that the items, as described on an attached list, be replaced by the United States.

The U.S. Commander, in a letter of October 1967, stated that he had reviewed the circumstances surrounding the issue of equipment to the Thai Army regiment and that the United States would assist the Thai Army. He stated also that, for most of the items, the United States would monetarily reimburse the Thailand Government since the items normally were not supplied by the United States to the Thai military. Payment was made by the United States to the Thailand Government in November 1967.

The payment appeared to have been based on a special circumstance that was not related to any specific U.S. commitment.

#### 8. Return-home transportation

For fiscal year 1970 we noted that approximately \$5,000 was paid to the Thailand Government for return-home transportation allowances for some Thai Vietnam veterans.

The November 1967 U.S. commitment stated that return-home transportation allowances for enlisted personnel would be paid by the United States. In a January 1968 message, the Military Assistance Command, Thailand, stated that return-home transportation for Thai enlisted personnel that served in Vietnam would be paid to those being mustered out.

The payment was to be for transportation from the discharge station to the individual's home. No rate of payment was specified in either the November 1967 commitment or the January 1968 message.

We noted from the payment voucher, however, that the amount was established in local currency at a rate equivalent to \$1.50 an individual. This was the same amount stated in a booklet prepared by the Thailand Government for its personnel serving in Vietnam.

#### 9. Equipment and supplies

For fiscal years 1968 through 1970, approximately \$2.2 million was paid to the Thailand Government for equipment and supplies as categorized on the payment vouchers.

The November 1967 U.S. commitment stated that the United States would pay for extra office equipment and supplies. In a January 1968 message from the Commander, Military Assistance Command, Thailand, to the Commander in Chief, Pacific (with information copies to several offices, including the Secretary of Defense), extra office equipment and supplies were identified as procurement, maintenance, and minor repair of office, medical, and other administration equipment and supplies for use at the training sites in Thailand. The message also stated that office equipment and supplies included primarily post-, camp-, and station-type property which was to be procured by the Thailand Government against the firm United States-Thailand agreed-upon equipment lists. In a subsequent message the type of expenses included in this category were detailed further.

In our examination of payment documents and other supporting documents, we noted that some of the detailed supporting documents did not agree with the payment vouchers

regarding the type of expenses being reimbursed. For example, an October 1969 payment document for approximately \$170,000 categorized the amount as expenses for supplies and equipment. The supporting documents showed, however, that approximately \$103,000 of the amount was for subsistence and per diem payments to Thai personnel, some of whom were training instructors. The balance of approximately \$67,000 was to reimburse the Thailand Government for supplies for training, maps, welding supplies, shooting targets and scorecards, bunker construction, and transportation for instructors.

We did not determine the full scope of the misclassification of expenses reimbursed to the Thailand Government, since the supporting documents, in some cases, were not available as of March 1971.

## 10. Morale

For fiscal years 1968 through 1970, approximately \$435,000 was reimbursed to the Thailand Government for expenses, such as expenses for farewell ceremonies, special Thai food shipped to Vietnam, mourning and funeral, sports equipment, musical instruments, and morale-raising shows and activities.

The November 1967 commitment stated that the United States would assume the costs of "morale equipment for troop units." In a February 1968 message, the Military Assistance Command, Thailand, stated that "morale equipment" would include such things as farewell ceremonies, postal activities, packing and shipping of gifts, procurement of special Thai or extra food, mourning and funeral expenses, recreation equipment, supplies, and awards.

Thus it appears that the language of the November 1967 commitment was expanded to include items other than equipment under the category of morale.

## 11. Training supplies and expenses

For fiscal years 1968 through 1970, the United States paid the Thai Government approximately \$2.3 million for cost of such things as training support, training supplies, administrative expenses, utilities, and per diem for interpreters and translators.

The November 1967 U.S. commitment stated that the United States would assume the costs of training supplies and expenses. The commitment did not provide any further details. A January 1968 message from the Military Assistance Command, Thailand, stated that training supplies and expenses were considered to be locally procured training aids. These aids included such things as firing-range target materials, simulators, models, mock-ups, translated written and illustrated instructional material and graphic training aids, language instructional materials, and projection equipment.

In our opinion, however, the Thailand Government interpreted the commitment to mean that the United States would

support costs to train recruits to replace regular army personnel who volunteered to join the forces going to Vietnam. As a result the Thailand Government submitted a claim for expenses of this nature, and the United States agreed to reimburse approximately \$1.8 million of this claim. About \$0.8 million of this amount is included in the amount shown in this section, and the balance of about \$1 million is included in the categories of subsistence, supplies and equipment, and transportation and mobilization.

#### 12. Transportation and mobilization

For fiscal years 1968 through 1970, approximately \$872,000 was paid to the Thailand Government for transportation and mobilization costs.

The November 1967 U.S. commitment provided for transportation and mobilization expenses for troops going to Vietnam. A January 1968 message from the Military Assistance Command, Thailand, stated that transportation and mobilization expenses would include costs associated with the transportation of Thai personnel from home, or other stations, to training sites and processing costs incident to induction, such as physical examinations and background security investigations.

Our examination of payment documents and supporting papers indicated that these expenses were the type for which reimbursement was made to the Thailand Government.

#### 13. Rehabilitation costs for Thai training facilities

In fiscal year 1968 approximately \$166,000 was reimbursed to the Thailand Government for materials used in the repair and rehabilitation of various Thai Army training centers.

The November 1967 commitment stated that the United States would undertake the repair and rehabilitation of facilities required for rotational training of the Thai Vietnam forces. In January 1968 the U.S. Ambassador advised the Thailand Ministry of Defense that the U.S. reimbursement would be limited to \$185,000. In March 1968 the Thailand

Government submitted the first of two claims for which the United States reimbursed it a total of about \$166,000.

Representation and inspection visits allowances

In the November 1967 commitment, the United States stated that it would reimburse the Thailand Government for representation funds for units and for inspection visits to Vietnam.

The military accounting records did not accumulate costs for these categories of reimbursement, and during our study we did not specifically identify reimbursements in these categories. We noted, however, that, in a message dated July 1968 from the Pacific Command, representation allowances for Thai Army units were no longer authorized for reimbursement by the United States. In addition, we noted that the U.S. Embassy, Bangkok, in August 1968, stated to Thai officials (in connection with the Thai headquarters unit and Air Force and Navy units in Vietnam) that reimbursement of all representation expenses was not considered feasible but that funding of appropriate ceremonies was under consideration.

## CHAPTER 5

### ASSISTANCE TO THAI FORCES DESIGNATED FOR

#### VIETNAM DUTY PRIOR TO THEIR DEPLOYMENT

For fiscal years 1967 through 1970, we identified an estimated \$66.5 million worth of material, equipment, and services that were provided by the United States to Thai forces designated for Vietnam duty, prior to deployment in Vietnam. The majority of the costs incurred were for the training of Thai divisional forces and appeared to be in accordance with the January and November 1967 U.S. commitment agreements and various implementing instructions.

Following are a summary schedule and a brief discussion of the various costs we identified.

	<u>Amount</u> <u>(millions)</u>
Equipment for Thai regiment and division	\$29.9
Equipment for the training center	15.0
Consumables for rotational training	13.1
Construction and rehabilitation of facilities	4.2 <sup>a</sup>
Transportation expenses to Vietnam	1.1
Regimental training expenses	1.0
Facility engineering contract for Thai training center	1.0
Hire of Thai personnel to support the training center	.6
Expenses of U.S. personnel assisting the training center	<u>.6</u>
Total	<u>\$66.5</u>

<sup>a</sup>Excludes the cost of 400 U.S. military engineering personnel performing the construction.

#### EQUIPMENT FOR THAI REGIMENT AND DIVISION

Prior to the deployment of the Thai regiment and division in Vietnam during fiscal years 1968 to 1969, the United States provided these units with organizational equipment,

such as armored personnel carriers, trucks, weapons, and communication equipment. We estimated that this equipment was valued at approximately \$29.9 million.

#### Thai regiment

We were unable to ascertain the specific equipment and assistance actually furnished to the Thai regiment. The July 1967 agreement stated the U.S. intention to support the regiment. Also subsequent program and financial plans showed that estimates were made for this assistance, although no detailed breakdowns were made. As a means of getting an estimated value for this assistance in the absence of actual delivery records, we priced out the value of equipment included in the Table of Organization and Equipment, which was jointly prepared by Thailand and United States officials, for the Thai regiment. On this basis we estimate the value at \$4.5 million.

The January 1967 U.S. commitment did not specify whether the title to the equipment would be transferred to the Thailand Government. A military working arrangement between the Commander of Thai forces in Vietnam and the Commander of the Military Assistance Command, Vietnam, issued in July 1967, however, stated that the title to equipment which was not within the Thailand military assistance program and was furnished for use by Thai forces in Vietnam would be retained by the United States or the Republic of Vietnam, as appropriate. Title to equipment furnished through the Thailand military assistance program and brought into Vietnam by the Thai forces would be retained by the Royal Thai Government.

We did not determine the actual disposition of the equipment when the regiment was withdrawn from Vietnam in August 1968, but we noted in one document that some of the equipment had been turned over to the Thai division in Vietnam.

#### Thai division

In December 1967 U.S. military personnel in Thailand prepared requisitions for equipment to be supplied to the Thai division to be deployed in Vietnam. The value of this equipment amounted to approximately \$25.4 million.

Under the terms of the U.S. commitment of November 1967, the equipment was to be retained by the Thailand Government upon final withdrawal of Thai forces from Vietnam.

## EQUIPMENT FOR TRAINING CENTER

We estimated that the United States provided equipment valued at \$15 million during fiscal years 1968 through 1970 to support training operations of the Thai Army Overseas Replacement Training Center at Kanchanaburi, Thailand. Under the terms of the November 1967 commitment, the equipment was to be retained by the Thailand Government upon final withdrawal of Thai forces from Vietnam.

The military advisory group in Thailand, starting in about May 1968, requisitioned primary items of equipment, valued at \$13.1 million, for the training center. Secondary items of equipment also were requisitioned, but we were unable to determine the value of the equipment. We found, however, that an August 1970 inventory report showed that equipment valued at \$15,036,000 was on hand at the training center at that time. Major categories of equipment requisitioned for the training center included vehicles (valued at \$6.6 million), rifles and machine guns (valued at \$1.4 million), and radio communication devices (valued at \$1.2 million).

Our observations during a visit to the training center in September 1970 indicated that equipment might have been provided in excess of training-center requirements. For example, we observed that the maintenance shops were filled to capacity with vehicles requiring maintenance while many new vehicles were parked in open fields. These vehicles were engulfed by weeds, and many had flat tires and had been cannibalized for parts.

## CONSUMABLES FOR ROTATIONAL TRAINING

For fiscal years 1967 through 1970, we identified approximately \$13.1 million worth of consumables for rotational training provided by the United States to the Thai training center. Of this amount, approximately \$10.7 million worth was for various types of ammunition.

### Thai regiment

We could obtain only limited information on the amount of consumables provided to the Thai regiment. An April 1967

memorandum for the Secretary of Defense estimated that approximately \$140,000 in costs would be incurred for providing a basic load of ammunition to Thai troops prior to their deployment in Vietnam.

Thai division

For fiscal years 1968 through 1970, consumables valued at approximately \$13 million were scheduled to be provided by the United States for the training center in Thailand.

The November 1967 commitment stated the United States would provide consumables for rotational training. In a January 1968 message from the Military Assistance Command, Thailand, training consumables are stated to include such items as ammunition; batteries; operational rations; petroleum, oil, and lubricants; and spare parts.

On the basis of requisitions for fiscal years 1968 and 1969 and programmed data for fiscal year 1970, we identified the following costs for consumables.

Type of consumable	Fiscal year			Total
	1968	1969	1970	
	————(000 omitted)————			
Ammunition and explosives	\$572	\$4,000	\$6,012	\$10,584
Material	-	-	2,356	2,356
Total	<u>\$572</u>	<u>\$4,000</u>	<u>\$8,368</u>	<u>\$12,940</u>

The ammunition and explosives support included ammunition for rifles, mortars, and howitzers; grenades; rockets, rocket ammunition, and rocket components; land mines; and demolition and pyrotechnic materials. Some of the ammunition was taken by Thai troops when they were deployed in Vietnam.

The material included such items as batteries; automotive supplies; petroleum, oil, and lubricants; clothing; drugs and medical supplies; and food.

During our visit to the training center in September 1970, we observed that ammunition was unprotected and was stored in open fields with no security in evidence.

As of August 1970 about \$5.7 million had been programmed to support the Overseas Replacement Training Center in fiscal year 1971. This included \$3.2 million for ammunition and explosives and \$2.5 million for material.

## CONSTRUCTION AND REHABILITATION OF FACILITIES

For fiscal years 1967 through 1969, the United States, in connection with the deployment of Thai troops in Vietnam, expended approximately \$4.2 million for the construction or rehabilitation of military facilities. Most of these costs were incurred at the Thai training center at Kanchanaburi.

### Thai regiment

We did not identify any construction or rehabilitation of military facilities for use of the Thai regiment in Thailand. The only costs of this nature which we noted were estimated at \$160,000 for the construction of prefabricated facilities in Thailand for use at the Thai regimental base camp in Vietnam. The estimate was contained in a message of April 1967 to the Secretary of Defense.

### Thai division

To prepare Thai troops for deployment in Vietnam, the United States constructed troop facilities and related improvements for Thai troops undergoing training and for Thai and United States instructors and advisors, at the training center at Kanchanaburi at a cost of approximately \$3.9 million. In addition, approximately \$120,000 was spent, prior to completion of the facilities at Kanchanaburi, to install utilities at an existing Thai training center. The Thailand Government also made improvements to some other existing training facilities for which it received direct payment from the United States. (See ch. 4.)

We obtained the construction and rehabilitation costs jointly from memorandums submitted to us during our field visit, from a supporting construction report, and from justification documents.

The construction of U.S. facilities at Kanchanaburi amounted to approximately \$1.4 million, and the justification for the project stated, in part, that housing facilities for 785 U.S. personnel and 110 Thai guards were needed to support the Thai training center.

The construction of Thai facilities at Kanchanaburi amounted to approximately \$2.5 million, and the justification for the project stated, in part, that the project was required to provide a camp for the training of Thai Army forces prior to their deployment in Vietnam. The number of personnel to be housed was not stated in the justification, but a construction report showed that approximately \$1.3 million was incurred for housing and eating facilities.

The above costs do not include the cost of U.S. military personnel who performed the construction work. From available records, however, we noted that more than 400 engineer personnel were assigned to the Kanchanaburi projects in February 1968 and that construction was not completed until September 1968.

#### TRANSPORTATION EXPENSES TO VIETNAM

For fiscal years 1968 through 1970, we estimated that the United States provided transportation services, costing approximately \$1.1 million, for the deployment of the Thai regiment and division. Our estimate was based on ship performance and cost data supplied to us by the Headquarters, U.S. Pacific Fleet, and on cost data for air transportation supplied to us by an advisor to the Free World Military Assistance Organization. We were unable to obtain any records to show the actual costs of transportation.

##### Thai regiment

For fiscal year 1968 we estimated that transportation costs for deployment of the main body of the regiment of about 1,600 personnel in Vietnam was \$103,000. We did not estimate the costs for the balance of the regiment's strength of about 600 personnel, because they were transported by Thai ships or because we lacked sufficient data to determine how they had been transported to Vietnam.

##### Thai division

For fiscal years 1969 and 1970, we estimated the costs of transporting the personnel and equipment of the Thai division and subsequent personnel replacements at \$1 million. This involved the transportation of about 22,000 personnel.

## REGIMENTAL TRAINING EXPENSES

For fiscal years 1967 and 1968, we identified approximately \$1 million in costs to be incurred by the United States to support the training of a Thai regiment in Thailand prior to its deployment in Vietnam.

The above costs are based on an estimate contained in an April 1967 message to the Secretary of Defense. We did not obtain actual costs or a detailed breakdown of the costs included in the training estimate. The training estimate, however, appears to have been based on expenses that were to be incurred by the U.S. advisors, mobile training team, and on-the-job training programmed to assist the Thais in predeployment training. In addition, certain equipment and supplies that were used for training may have been included in the estimate.

Additional training expenses for the division are shown in other categories of expenses described in this chapter.

## FACILITY ENGINEERING CONTRACT FOR THAI TRAINING CENTER

For fiscal years 1968 through 1970, the United States incurred costs of approximately \$970,000 to provide facility engineering contract services for the Thai training center at Kanchanaburi.

The services were provided by a U.S. firm and consisted of operation of utilities, maintenance of real property, minor construction, fire prevention, repairs, management, and engineering services.

HIRE OF THAI PERSONNEL TO  
SUPPORT THE TRAINING CENTER

For fiscal years 1968 and 1969, at least \$600,000 was estimated to have been expended by the United States to hire Thai civilian personnel and security guards for the Thai training centers.

We did not obtain the actual costs expended by the United States, but we noted that a budget projection in December 1967 had shown the following information.

	Number of personnel	Fiscal year		Total
		1968	1969	
Thai civilians	304	\$132,000	\$272,000	\$404,000
Thai security guards	<u>112</u>	<u>67,300</u>	<u>127,000</u>	<u>194,300</u>
Total	<u>416</u>	<u>\$199,300</u>	<u>\$399,000</u>	<u>\$598,300</u>

In May 1968 the Military Assistance Command, Thailand, informed the Pacific Command that the Department of the Army had authorized the Support Command in Thailand 110 Thai security guards and 646 Thai civilian spaces for U.S. support for Thai forces being deployed in Vietnam. At that time it was planned to phase out the civilian spaces and the security guards by July 1969.

EXPENSES OF U.S. PERSONNEL  
ASSISTING THE TRAINING CENTER

From U.S. military financial ledgers in Thailand, we identified approximately \$600,000 for fiscal years 1968 through 1970 as transportation and travel expenses of U.S. military personnel assisting in training Thai personnel prior to their deployment in Vietnam. We were advised by personnel in Thailand, however, that complete detailed supporting records for these costs had not been retained.

The extent of U.S. personnel support, however, can be seen from the number of U.S. military personnel assigned to the main Thai training center. In April 1968 there were 1,100 U.S. personnel assigned to the main Thai training

center. They performed supply and maintenance services, assisted in training Thai personnel, and provided security for the center. In October 1968 the U.S. personnel declined to about 500, and by July 1969 about 15 personnel remained at the training center.

## CHAPTER 6

### ASSISTANCE PROVIDED TO THAI FORCES IN VIETNAM

According to reports prepared by various U.S. military activities in Vietnam, in fiscal years 1967 through 1970 the United States provided, either directly or indirectly, from funds appropriated for fiscal years 1967 through 1970, about \$102.6 million worth of supplies, services, and equipment to Thai forces in Vietnam. Most of this support was provided by the U.S. Army (\$100.5 million), and lesser amounts were provided by the Navy (\$1.5 million), the Air Force (\$32,000), and the Military Assistance Command, Vietnam (\$600,000).

This assistance was provided pursuant to the various military and financial working arrangements negotiated by the Commander, Military Assistance Command, Vietnam, and the Thai Forces Commander, Vietnam. Under the terms of these arrangements, the United States agreed to provide most of the support needed to accomplish the Thai mission in Vietnam.

This support included equipment, supplies, petroleum, ammunition, subsistence items, and housing. The support included also services--such as communications; postal services; exchanges; clubs and messes; medical and dental care; and direct funding of local hires, small purchases, civic action projects, and permanent-change-of-station travel.

During our review we attempted to make an on-the-spot observation of the utilization and disposition of U.S. equipment and facilities provided to the Thai forces in Vietnam. We requested the Military Assistance Command to arrange for us to visit the base camp facilities of the Thai Army in Vietnam so that we could observe the nature and extent of U.S. support furnished and being furnished. The command refused our request, and the Secretary of Defense upheld the refusal.

### ASSISTANCE PROVIDED BY U.S. ARMY

For fiscal years 1967 through 1970, we identified approximately \$100.5 million worth of supplies, materials, and services provided to Thai Army forces in Vietnam.

We obtained this data, with the exception of construction costs for fiscal year 1967 and ammunition costs for fiscal years 1969 and 1970, from the Central Finance and Accounting Office, U.S. Army, Vietnam. Construction costs were stated in a Military Assistance Command message of October 1969, and ammunition costs for fiscal years 1969 and 1970 were obtained from detail listings obtained from the U.S. Army in Hawaii.

The Central Finance and Accounting Office, until the beginning of fiscal year 1971, prepared quarterly reports, which were supported by monthly reports from several U.S. military reporting units in Vietnam, on the cost of support furnished to the Thai forces in Vietnam. The quarterly and monthly reports did not describe the costs in detail but categorized the costs according to certain general classifications.

Except for these incomplete reports, information available to us with respect to a further delineation of this assistance was limited. From these reports we were able to reconstruct the following breakout. The various responsible officials involved did not furnish us with, and we were unable to find, any additional degree of detail or further description concerning this assistance.

<u>Type of expense</u>	<u>Fiscal year</u>				<u>Total</u>
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
Subsistence	\$ 60,315	\$ 1,249,643	\$ 4,829,868	\$ 6,802,822	\$ 12,942,648
Expendable supplies, clothing, repair parts, construc- tion, material, etc.	37,245	10,172,530	3,734,439	721,621	14,665,835
Petroleum	88	826	157,800	394,286	553,000
Services	3,650	755,620	2,385,521	3,075,374	6,220,165
Travel	-	24,153	67,296	107,869	199,318
Ammunition	-	11,975,465	23,261,812	26,487,412	61,724,689
Vehicles	56,910	750,000	526,767	549,365	1,883,042
Weapons	30,642	603,744	152,902	156,036	943,324
Communications	35,976	311,823	136,737	77,933	562,469
Construction of Thai facilities	<u>766,000</u>	-	-	-	<u>766,000</u>
<b>Total</b>	<u>\$990,826</u>	<u>\$25,843,804</u>	<u>\$35,253,142</u>	<u>\$38,372,718</u>	<u>\$100,460,490</u>

The subsistence category refers to the cost of providing food for Thai troops in Vietnam. The cost of the food provided by the United States to a Thai soldier was not to exceed that provided to a U.S. soldier in Vietnam.

The services category includes the costs incurred by a U.S. military engineering unit in furnishing the Thai base camp with utilities, electricity, water purification, maintenance of facilities, sewage hauling, and administration.

Ammunition costs are for furnishing many types of ammunition; however, the principal costs are for 105 mm and 155 mm howitzers and 81 mm mortars. For example, approximately 190,000 rounds of 105 mm howitzer ammunition, costing about \$6 million, were issued to the Thai forces during fiscal year 1969.

ASSISTANCE PROVIDED BY U.S. NAVY

For fiscal years 1967 through 1970, the U.S. Navy stated that approximately \$1.5 million in costs could be identified for support of Thai naval forces in Vietnam. The costs identified were for supplies, subsistence, and overhaul.

In a July 1970 message from the Commander in Chief, Pacific Fleet, past and future costs of U.S. assistance to Thai naval forces operating in Vietnam were identified. The costs, as contained in this message, were as follows:

<u>Type of expense</u>	<u>Fiscal year</u>				<u>Total</u>
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
Supplies	\$36,000	\$132,000	\$ 44,876	\$ 70,940	\$ 283,816
Subsistence	-	-	110,000	97,900	207,900
Ship over- hauls	-	-	964,653	-	964,653
Total	<u>\$36,000</u>	<u>\$132,000</u>	<u>\$1,119,529</u>	<u>\$168,840</u>	<u>\$1,456,369</u>

The message did not provide any details for supplies, except to note that the costs for years 1967 and 1968 were programmed costs; actual costs were not available. The message noted, however, that some costs for fiscal years 1969 and 1970 were actual and that others were programmed.

In regard to subsistence, the costs were programmed costs pending U.S. Army billings.

Overhaul costs were incurred for a U.S. patrol craft and landing ship tank that were on loan to the Thailand Government and were operating in Vietnam waters to assist the war effort. Most of the costs (\$900,000) were incurred for overhauling the landing ship tank. During fiscal year 1971 \$400,000 was programmed for an additional overhaul.

The July 1970 message stated that no records were available for ammunition or construction costs.

ASSISTANCE PROVIDED BY U.S. AIR FORCE

For fiscal years 1967 through 1970, we identified cost information of approximately \$32,000 to support Thai Air Force personnel in Vietnam.

In a July 1970 message, Headquarters, Pacific Air Forces, stated that costs of supporting the Thai Air Force in Vietnam for fiscal years 1967 through 1970 had amounted to \$31,690 as shown below.

<u>Type of expense</u>	<u>Fiscal year</u>				<u>Total</u>
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
Operational supplies	\$ 80	\$ 570	\$ 300	\$ 5,400	\$ 6,350
Medical supplies and services	1,440	1,150	900	-	3,490
Administrative costs	-	-	<u>12,390</u>	<u>9,460</u>	<u>21,850</u>
Total	<u>\$1,520</u>	<u>\$1,720</u>	<u>\$13,590</u>	<u>\$14,860</u>	<u>\$31,690</u>

ASSISTANCE PROVIDED BY  
MILITARY ASSISTANCE COMMAND, VIETNAM

For fiscal years 1968 through 1970, the Military Assistance Command, Vietnam, in accordance with financial working arrangements of September 1967 and July 1969, provided certain financial assistance, in the amount of approximately \$617,000, to the Thai forces in Vietnam. The financial assistance was provided for:

- Small local purchases authorized for items required on a short-notice basis when the items were not readily available from U.S. military sources. Reported costs for this support from August 1967 through June 1970 amounted to about \$383,000.
- The hire of essential local civilian personnel determined jointly by the U.S. and Thai military commanders in Vietnam. Reported costs for the period from July 1967 through June 1970 were about \$28,000.

--Civic action projects from October 1968 through May 1970. Reported costs were about \$62,000.

--Transportation services for the return of the Thai regiment and for the rotation of the Thai division. We estimated this cost for fiscal years 1969 and 1970 at \$144,000. The regiment was returned to Thailand by U.S. Air Force planes in August 1968, and two division brigades were returned to Thailand by U.S. Air Force planes during fiscal year 1970. We were unable to obtain any records to show actual costs of transportation. We based our estimate on established military air transportation cost.

--The processing of various other services normally extended to U.S. personnel--including, among other things, participation in existing U.S. recreational programs and utilization of designated post exchange facilities, clubs, messes, and billeting facilities. Thai personnel were extended the use of a closed-pouch system for all personal and official mail, without U.S. postage being affixed, between designated U.S. postal facilities in Vietnam and Bangkok. We noted that, during the period January through September 1970, Thai forces mailed an average 36,400 pounds of mail a month from Saigon, Vietnam, to Thailand. During the period March 1969 through September 1970, Thai forces in Vietnam received an average 60,200 pounds of mail a month from Thailand. We were unable to obtain sufficient information on the extent of these services, and/or the cost thereof, to reasonably estimate the value of the U.S. assistance involved.

## CHAPTER 7

### MILITARY ASSISTANCE FOR THAI

#### ARMED FORCES DEPLOYED IN THAILAND

For fiscal years 1967 through 1970, the United States funded approximately \$273 million worth of military assistance for the Thai Armed Forces deployed in Thailand. We estimated that approximately \$55.4 million worth of the assistance was funded in consideration of the Thailand Government's decision to send ground troops to Vietnam.

In addition, the United States agreed in the November 1967 commitment to provide a HAWK missile battery to Thailand and to assume certain maintenance and training costs. The cost to the United States for furnishing the HAWK missile battery was estimated at \$6.5 million, and annual maintenance costs to the United States were estimated at \$1.2 million. Thai personnel have been trained to operate and maintain the missile battery, and the cost of that training is included in the costs of U.S. military assistance cited in the preceding paragraph.

In September 1971 Department of State and Defense officials informed us that, in recent negotiations with Thai officials, it had been agreed that the United States would provide equipment of an approximate equal value in lieu of the HAWK missile system.

The following schedule shows the amounts of military assistance originally planned, revised, and funded for Thailand during fiscal years 1967 through 1970. The amounts shown in the last column represent the amounts which we were able to relate to the dispatch of Thai troops to Vietnam, that is, the difference (except for 1970) between the planned program level and the funded program level.

<u>Fiscal year</u>	<u>Planned program level</u>	<u>Revised program level</u>	<u>Funded program level</u>	<u>Attributable to dispatching troops to Vietnam</u>
(millions)				
1967	\$ 35.0	\$ 60.0	\$ 58.7	\$23.7
1968	60.0	75.0	76.9	16.9
1969	60.0	75.0	72.7	12.7
1970	<u>60.0</u>	<u>60.0</u>	<u>64.8</u>	<u>2.1</u>
Total	<u>\$215.0</u>	<u>\$270.0</u>	<u>\$273.1</u>	<u>\$55.4</u>

The following paragraphs discuss the increase in military assistance related to the Thai decision to send forces to Vietnam. An attempt was not made to evaluate the total military assistance provided to Thailand but was made to show the increases that occurred as a result of Thailand's participation in the Vietnam war effort. We also did not attempt to determine whether there was a valid need for the additional equipment provided to Thailand.

MILITARY ASSISTANCE INCREASE  
IN FISCAL YEAR 1967

Military assistance worth \$58.7 million was funded for Thailand during fiscal year 1967. This amount is an increase of \$23.7 million over the planned program level of \$35 million and is a slight decrease from the revised program level of \$60 million.

The additional funds were used for construction projects, communication equipment, gunboats, aircraft, and other equipment and services.

None of the documents made available to us specifically stated that the increase in military assistance was related to the Thai decision to send ground troops to Vietnam. The increase, however, was programmed in October 1966--4 months into fiscal year 1967--concurrent with U.S. negotiations with Thai officials concerning the possibility of Thailand's providing troops for the Vietnam war effort. Department of Defense officials, in commenting on our report on "United States Assistance to the Kingdom of Thailand" (B-133258,

Dec. 9, 1969), informed us that political considerations had played a part in the increase of U.S. military assistance during fiscal year 1967.

#### MILITARY ASSISTANCE INCREASES IN FISCAL YEARS 1968 AND 1969

On November 6, 1967, the United States, in consideration of the Thailand Government's decision to send a division to Vietnam, made a written commitment to the Thailand Government to increase the fiscal year 1968 military assistance program level from \$60 million to \$75 million and to maintain a \$75 million planning level for fiscal year 1969. For fiscal years 1968 and 1969, the program was funded at \$76.9 million and \$72.7 million, respectively. This amounted to an increase of \$16.9 million for fiscal year 1968 and \$12.7 million for fiscal year 1969. These increases were to include funding for helicopters, key modernization equipment, and training and maintenance of a HAWK missile battery.

#### MILITARY ASSISTANCE INCREASE IN FISCAL YEAR 1970

For fiscal year 1970 we identified approximately \$2.1 million of the \$4.8 million increase in military assistance as being related to the November 1967 commitment.

Included in the increased costs of \$2.1 million were follow-on procurements related to fiscal year 1968 add-on program and costs originally programmed for operation of the HAWK missile battery. Some of the costs were for helicopter spare parts, communications equipment, and HAWK missile battery training.

#### HAWK MISSILE EQUIPMENT AND RELATED COSTS

The U.S. commitment of November 1967 stated that the United States would deploy a HAWK missile battery manned by U.S. personnel after the Thailand Government had acquired the necessary land and had completed construction of the facilities. U.S. personnel would be withdrawn after Thai personnel were ready to man the battery. The commitment stated also that the United States would assume all costs except land acquisition costs and certain construction costs.

The U.S. Embassy, Bangkok, informed us in a memorandum of August 1970 that no current estimate of the cost of the HAWK missile battery was available. Training of Thai personnel for the HAWK missile battery largely was completed in December 1969 at a cost of about \$0.5 million. (See GAO report "Problems in Administration of the Military Assistance Training Program" (B-163582, Feb. 16, 1971).

The memorandum also stated, in regard to the delays in the deployment of the HAWK missile battery, that:

"The HAWK battery has not been deployed to Thailand pending the construction of a site by the RTG; construction has not yet begun. While the promise to deploy a HAWK missile battery in Thailand has definite political and psychological value in our relations with the RTG, it is our judgment that actual deployment of the battery has low priority among Thai defense needs. Accordingly, we have not pressed the RTG on completion of the site."

In September 1971 Departments of State and Defense officials informed us that an agreement had been reached with the Government of Thailand whereby the United States would provide other equipment of equal value in lieu of the HAWK missile battery.

## CHAPTER 8

### ECONOMIC ASSISTANCE TO THAILAND

Since fiscal year 1964 the U.S. Agency for International Development has provided the following economic assistance to the Government of Thailand on a grant basis.

<u>Fiscal year</u>	<u>Amount</u> <u>(millions)</u>
1964	\$ 11.7
1965	18.3
1966	42.2
1967	47.9
1968	43.3
1969	31.5
1970	<u>23.5</u>
Total	<u>\$218.4</u>

Since 1964 the economic assistance program has been justified principally on the basis of Communist-supported insurgency. Most of the funds obligated since that time have been concerned primarily with the Civil Police Administration project and the Accelerated Rural Development project. Approximately \$62 million and \$52.2 million, respectively, have been obligated for these two projects between fiscal years 1965 and 1970. Both projects were either directly or indirectly related to internal security of Thailand and were concerned with combating Communist subversion and insurgency.

In our report to Congress on the "United States Assistance to the Kingdom of Thailand," we noted significantly increased funding levels for fiscal years 1965 through 1968, as indicated above. At that time we were informed by Agency for International Development officials that the increased levels of economic assistance had become essential as a direct result of the worsening security situation in Southeast Asia. Also we learned from correspondence and discussions with responsible U.S. diplomatic mission officials in Thailand that the economic assistance levels were considered essential to retain Thailand's support in Southeast Asia.

The Director, Agency for International Development, Thailand, advised us in June 1968, in connection with our earlier review, that the multifaceted, interrelated, rationale for an expanded economic assistance program, as it had evolved by the summer of 1965, included some very important political considerations, such as:

- Thailand's all-out commitment to the United States was a keystone of the entire U.S. position in Southeast Asia.
- The facilities and privileges granted by Thailand to the United States were of incalculable value.
- The continued existence of a strong, stable Thai nation was highly advantageous to the United States.
- Thailand's position as an economic and social "showcase" in a troubled area had great psychological and propaganda value to the free world.
- Thailand was a respected regional leader and exercised its regional leadership in the U.S. interest.
- Thailand's vigorous self-help measures made it possible to provide U.S. aid efficiently.
- With war in Vietnam and insurgency in Thailand, U.S. vital interests required accelerated security and development programs in Thailand, which demanded resource inputs in excess of Thailand's existing capability to provide them.

The Department of State advised us that:

"\*\*\* the increase in economic assistance to Thailand coincided with a significant and alarming increase in Communist insurgency in Thailand from 1965 onward, a matter of great concern to the United States in the context of our overall Southeast Asia policy. Counterinsurgency programs became the principal focus of our economic assistance efforts at that time and there was thus an inevitable rapid expansion of our

financial inputs. The decrease after 1967 can be attributed largely to the fact that the CI [counterinsurgency] programs involved had by then become established and were reaching the limit of their capacity to absorb commodities provided by AID [Agency for International Development]."

The Agency for International Development and the Department of Defense offered similar objections and expressed the same opinions. Except for the observations noted above, we are unable to refute the objections offered, but we were not furnished with any documentary evidence to support the objections presented.

COMMITTEES  
 AERONAUTICAL AND SPACE SCIENCES  
 ARMED SERVICES  
 FOREIGN RELATIONS  
 APPROPRIATIONS, EX OFFICIO  
 JOINT ECONOMIC  
 DEMOCRATIC POLICY  
 DEMOCRATIC STEERING

United States Senate  
 WASHINGTON, D. C. 20510

STUART SYMINGTON  
 MISSOURI  
 STANLEY R. FIKE  
 ADMINISTRATIVE ASSISTANT

June 9, 1970

B-133258

Honorable Elmer B. Staats  
 Comptroller General of the United States  
 Washington, D. C. 20548

Dear Mr. Staats:

In the course of hearings held by the Subcommittee on United States Security Agreements and Commitments Abroad questions were raised about the cost to the United States of Thai forces sent to Vietnam. For the published Subcommittee transcript, the Department of Defense provided a statement as follows:

"United States support to Thai forces in South Vietnam when averaged over the years during which Thai forces have been deployed to South Vietnam is estimated at approximately \$50 million per year."

No breakdown of these substantial expenditures -- even in terms of allowances, military equipment and subsistence -- was provided.

The Subcommittee has in its possession, but was not permitted by the Department of State to publish, specific agreements under which, according to Administration witnesses who testified under oath, funds and materiel from the United States Government were given to Thai officials, in return for their forces which were sent to Vietnam.

On June 2, 1970, the press carried the enclosed story which contained the following paragraph:

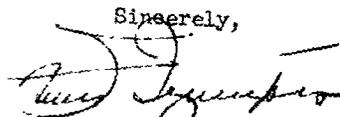
"Unlike the (Thai) volunteers for Vietnam whose expenses are paid by Thailand, the volunteers for Cambodia will be armed and equipped from aid supplied by the United States."

In light of the testimony and information presented the Subcommittee and the above-mentioned statement reportedly made by the Prime Minister

APPENDIX I

of Thailand, we would request that your organization make a study of all payments, direct and indirect, to the Thai Government and its officials for their forces sent to Vietnam; and determine the factors relevant to their disposition by United States Government officials.

Sincerely,



Stuart Symington  
Chairman  
Subcommittee on United States  
Security Agreements and  
Commitments Abroad

SS:kn

BEST DOCUMENT AVAILABLE